

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

MAR 17 1986

**O. C. D.
ARTESIA OFFICE**

NFO Permit No. 2-745
(For Division Use Only)

A. Applicant, Amoco Production Company,
whose address is P. O. Box 68, Hobbs, New Mexico 88240,

hereby requests an exception to Rule 306 for Indefinite Period days or until
 , 19 , for the following described tank battery (or LACT):

Name of Lease State 80 Name of Pool Wildcat Delaware

Location of Battery: Unit Letter E Section 2 Township 23-S Range 28-E

Number of wells producing into battery 1

B. Based upon oil production of 17 barrels per day, the estimated volume
of gas to be flared is 34 MCF; Value \$34.00 per day.

C. Name and location of the nearest gas gathering facility: Amoco is not aware of any low pressure gas gathering system within a reasonable distance of this well.

D. Distance Estimated cost of connection

E. This exception is requested for the following reasons: Compression of this gas is not economically feasible. Neither is it considered prudent to spend \$200,000 to lay a pipeline to sell gas from this well at \$1 per mcf even if a low pressure line were available within reasonable proximity of the well. Request exception to Rule 306 to prevent the loss of revenue from 17 BOPD based on latest test 3-9-86 of 17 BOPD, 34 MCFD x 22 BWPD.

F. I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Gas Must Be Flared

Beverly A. Ottwell
(Signature)
Senior Administrative Analyst

March 13, 1986 (Title)

(Date)

Approved Until Further Notice

NEW MEXICO OIL CONSERVATION DIVISION

By Mike Williams

Title OIL AND GAS INSPECTOR

Date MAR 27 1986

*Gas-Oil ratio test may be required to verify estimated gas volume.

0+5 NMOC-D-A; 1-JRB HQ 1-FJN-HQ 1-BAO